

Introduced by Senator Alquist

January 18, 2007

An act to add and repeal Chapter 19 (commencing with Section 50899) of Part 2 of Division 31 of the Health and Safety Code, relating to community development.

LEGISLATIVE COUNSEL'S DIGEST

SB 107, as introduced, Alquist. Community development: healthy food choices.

Existing law charges the Department of Housing and Community Development with the administration of various programs that facilitate community development, including the Community Development Block Grant Program. Existing law also requires the State Department of Health Services, to be renamed the State Department of Health Care Services on July 1, 2007, to develop a "Healthy Food Purchase" pilot program and to establish and implement a "5 A Day-For Better Health" program to promote consumption of fruit and vegetables.

This bill would require the Department of Food and Agriculture, until January 1, 2010, in partnership with the State Department of Health Care Services, and to the extent funds are appropriated, to establish the "Healthy Food Retail Innovations Fund" to provide residents of underserved communities with retail food markets that would offer high quality fruit, vegetables, and other healthy foods and encourage retail innovation. The bill would also require the department to provide grants on a competitive basis for business plan development, feasibility studies, refrigeration units, outside technical assistance, and other startup costs. It would also require the department to report to the Legislature annually, as specified, on projects funded through this program.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Chapter 19 (commencing with Section 50899)
is added to Part 2 of Division 31 of the Health and Safety Code,
to read:

CHAPTER 19. ACCESS TO HEALTHY FOOD ACT

50899. This chapter shall be known and may be cited as the
Access to Healthy Food Act.

50899.1. The Legislature hereby finds and declares all of the
following:

(a) Increasing access to retail food markets is an important
strategy for improving the nutritional health and economic vitality
of low-income communities by ensuring an accessible supply of
healthy food.

(b) Community food assessments conducted in California have
demonstrated that residents of low-income communities often have
inadequate access to high quality fruits, vegetables, and other
healthy food.

(c) California has the second highest rate of overweight and
low-income children in the nation.

(d) According to the Centers for Disease Control and Prevention,
over 20 percent of California adults are overweight compared to
1991 when less than 10 percent of California adults were
overweight.

(e) The growing epidemic of overweight individuals is due to
poor diet and physical inactivity, putting growing numbers of
Californians at risk for type 2 diabetes, hypertension, heart disease,
and cancer.

(f) Diseases related to poor nutrition and physical inactivity are
the second leading cause of preventable deaths in the United States.
These diseases account for 28 percent of preventable deaths each
year, which is more than AIDS, violence, car crashes, alcohol, and
drugs combined.

(g) Obesity costs California an estimated \$21.7 billion a year
in medical costs and lost productivity. Medical care costs associated

1 with obesity are greater than those associated with both smoking
2 and problem drinking.

3 (h) While individuals make choices about what they eat, these
4 choices are affected by the availability of food in their environment.
5 Sales of fruit and vegetables can be increased by improving
6 community access to retail grocery stores, helping corner stores
7 and other small stores sell fruit and vegetables, starting and
8 sustaining farmers' markets, and other innovative means to improve
9 community access to places for purchasing fruit, vegetables, and
10 other healthy foods. Studies have shown that access to healthy
11 food increases fruit and vegetable consumption.

12 (i) Retail grocery stores are important economic anchors in
13 communities, generating jobs, recycling money back into the local
14 economy, and creating opportunities for other small and large
15 businesses.

16 (j) Improving the availability, quality, and prices of food in
17 existing small stores can improve local economic development by
18 building upon existing community resources, and strengthening
19 relationships between local merchants and residents.

20 (k) Farmers' markets can help support farmers and serve as
21 small business incubators where local residents can sell products
22 such as baked goods or nonfood items.

23 50899.2. For purposes of this chapter, the following definitions
24 apply:

25 (a) "Department" means the Department of Food and
26 Agriculture.

27 (b) "Retail food market" means a for-profit or not-for-profit
28 retailer that will increase access to high quality fruit, vegetables,
29 and other healthy food.

30 (c) "Underserved community" means a community in which
31 existing retail food markets are inadequate to serve the healthy
32 food needs of residents and that meets one of the following criteria:

33 (1) In metropolitan statistical areas, the median family income
34 is less than 80 percent of the area median family income.

35 (2) In nonmetropolitan statistical areas, the median family
36 income is less than 80 percent of the statewide median family
37 income.

38 (3) Is adjacent to a census tract that meets the income criteria
39 described in paragraph (1) or (2).

50899.3. (a) To the extent funds are available, the department shall establish, in partnership with the State Department of Health Care Services, the “Healthy Food Retail Innovations Fund” for the purpose of providing residents of underserved communities with retail food markets that will offer high quality fruit and vegetables. Eligible projects include, but are not limited to, projects to encourage development of or revitalize retail grocery stores or farmers’ markets, to improve or increase healthy food options available at existing corner stores or small markets, or other retail market or fruit and vegetable distribution innovations that meet the intent of this section. A restaurant is not an eligible project for purposes of this section. The department shall provide competitive grants for business plan development, feasibility studies, refrigeration units, outside technical assistance, and other startup costs. Grants shall not be used to pay operating costs. Feasibility studies shall be eligible for funding only if there is evidence that the study will gather important new information and is likely to result in a retail food market or fruit and vegetable innovation project. To the extent possible, the department shall provide technical assistance to grant recipients.

(b) An applicant for the grants may be a for-profit business enterprise, including, but not limited to, a corporation, limited liability company, sole proprietor, cooperative, or partnership; a nonprofit organization; or governmental entity.

(c) To be eligible for a grant under this chapter, an applicant shall serve an underserved community in which the proposed retail food or fruit and vegetable innovation market project will improve, increase, or preserve retail access to high quality fruit, vegetables, and other healthy food for low-income residents of the community. Applicants shall demonstrate that the community supports the proposed project, that the project will have a positive economic impact on the surrounding community, that the project is likely to be successful and economically self-sustaining, and any other criteria as the department may determine and that are consistent with the purposes of this chapter.

(d) The department shall rate and rank applicants by the following priority-ordered criteria:

(1) The income level of the community and the degree to which the community is underserved by retail food markets.

1 (2) The degree to which the project will improve, increase, or
2 preserve retail access to high quality fruit, vegetables, and other
3 healthy food for the low-income residents of the underserved
4 community.

5 (3) The capacity of the applicant to successfully complete the
6 project and the likelihood that the project will be economically
7 self-sustaining.

8 (4) The degree to which the underserved community supports
9 the project. This may be demonstrated through letters of support
10 from local community-based organizations, faith-based
11 organizations, civic organizations, or local community members.

12 (5) The degree to which the project will have a positive
13 economic impact on the underserved community. Applicants who
14 demonstrate a commitment to strong local hiring practices shall
15 receive additional consideration.

16 (6) Other criteria the department may determine and that are
17 consistent with the purposes of this chapter.

18 (e) The funded retail food market should primarily sell groceries,
19 produce, meat, baked goods, and dairy products to the widest
20 possible group of consumers. The department shall establish
21 alternate requirements applicable to farmers' markets and to other
22 grant recipients that primarily sell produce.

23 (f) It is the Legislature's intent that funds described in this
24 section be used to leverage other funding including, but not limited
25 to, workforce development funds, New Markets Tax Credits,
26 incentives available to enterprise zones, and funding from financial
27 institutions under the federal Community Reinvestment Act (12
28 U.S.C. Sec. 2901).

29 (g) The department shall report to the Legislature annually on
30 any projects funded through this program by describing outcome
31 data, including fruit and vegetable sales data, and describing the
32 most promising healthy food retailing innovations. The department
33 may fulfill this requirement by including this information in any
34 other annual report that the department provides to the Legislature.

35 50899.4. The department shall implement this chapter only to
36 the extent that funds are appropriated for that purpose.

37 50899.5. This chapter shall remain in effect only until January
38 1, 2010, and as of that date is repealed, unless a later enacted

- 1 statute, that is enacted before January 1, 2010, deletes or extends
- 2 that date.

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